

VIA: AIR
EXPIRY AIR OR

NS: H NO. 11A-1-13

CLASSIFICATION

3. F. 6. 1255

TO: Chief, []
Attn: []
FROM: Chief of Mission, Frankfurt *gmr*
SUBJECT: GENERAL Operational/CART, []
SPECIFIC: Hungarian Military Circles-in-Exile
REF: MOHA-12637, 27 September 1954

DATE:
INFO: COM
POB

1. Attached are three reports by [] (Source 300). Attachment A reports a discussion with General Andreas ZAKO (Subsource 302) in which ZAKO denies and gives his explanation for current report that he works for the IIS. [] notes in the report that General Gustav HEINIEY (Subsource 302) alleges that ZAKO had and has some type of contact with Yugoslavia. Attachment B is information from HEINIEY about ZAKO alleging that ZAKO has visited Paris and must have done so under an alias. HEINIEY states here his belief that ZAKO and General Ferdinand FARKAS are attempting to set up a second Hungarian National Committee. Attachment C is a report on a Eugen SEH who has distributed a costly montage of newspaper articles previously written by him which attack ZAKO and FARKAS. Subsource 303 and 311 (Dr. Zoltan KAKRA and General Ferdinand FARKAS, and General HEINIEY) seem agree that SEH's activities are sponsored or inspired by the Communists. An employee of the Bavarian government, Egon BAUMGARTNER, is reported by KAKRA to have admitted financing SEH's publication. MOB has no traces on SEH or BAUMGARTNER.
2. In view of DIR-27246 (not to POB), we have instructed [] to curtail his contacting of the above subsources. We will henceforth forward only those reports which strike us as especially noteworthy.

3 Attachments:

- A. [] report #2-12-54
- B. [] report #3-12-54
- C. [] report #1-12-54

1 February 1954

Distribution:

- 5 - Wash #2 cys ea Att (DIRECT)
- 3 - COM #1 cy ea Att
- 1 - POB #1 cy ea Att (DIRECT)
- 2 - MOB #1 cy ea Att

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CLASSIFICATION

FORM NO. 51-28A
MAR. 1949

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHOD EXEMPTION 382
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

SECRET

000 A-15 E-4-14131

7 December 1954

Subject: (General) Andrej ZAKO
Date of Information: 20 October 1954
Source: 200
Subsource: 310
Evaluation of Information: 6

1. On 10 October 1954, 310 visited 310 at the latter's office. 310 was asked about the current rumors that General Andrej ZAKO is working for the Yugoslavian intelligence service (UPB). 310 emphatically stated that General ZAKO was never in Yugoslavia and has never established contact with the Yugoslavian intelligence service. (1) Although General ZAKO believes that cooperation with the Yugoslavs for operations into Hungary is a very important subject, General ZAKO does not intend to initiate any such cooperation until this is approved by the highest American authorities. 310 explains current rumors as due to the following.

DECLAVA

2. In the early part of 1954 a Hungarian, fnu DECLAVA, was arrested by Austrian security police in the British zone of Austria, on unknown charges. (2) In searching DECLAVA they found a letter which DECLAVA had written to (General) fnu LENGYEL in which DECLAVA requested payment from LENGYEL for his Yugoslavian work. 310 states that the finding of this letter is evidence that LENGYEL is in contact with the Yugoslavs. (3) 310 states that General LENGYEL, to counter the implications of this letter and call attention away from himself, is spreading the rumors that General ZAKO cooperates with the Yugoslavs.

3. When asked on what basis LENGYEL could spread these rumors about ZAKO, 310 stated that he probably bases them on the following:

a. In the summer of 1951 the Hungarian Victor SZASZ, Rome, Italy, visited Munich. SZASZ is a former Hungarian naval officer, became later a member of the Foreign Office, is the master of several Slavic languages and an enthusiastic photographer. SZASZ contacted General Gustav HENNYET in Munich and told him that representatives of the Yugoslavian Government had called upon him in Rome (after Yugoslavia's break with Moscow) and implied to him that there were now great opportunities to run operations into Hungary from Yugoslavia. These representatives suggested that SZASZ should establish contact between Yugoslavian

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authorities and qualified Hungarian emigrants. General HENNYHY referred SZASZ to General LENGYEL in Graz, Austria, a former Hungarian military attaché to Warsaw and Riga, and very intelligent and active. Although said to be naive in intelligence matters, LENGYEL, at that time, was in contact with numerous Western intelligence services, and was the representative of the Hungarian National Committee in Graz.

- b. During his visit to Munich SZASZ also spoke with other Hungarians from whom he learned that General ZAKO was considered an expert in intelligence matters and lives in Innsbruck. SZASZ apparently decided not to follow HENNYHY's advice and contact LENGYEL, but instead went to Innsbruck to see General ZAKO. There he was unable to see General ZAKO, but saw ZAKO's deputy, Colonel Imre NADAS. Colonel NADAS told SZASZ that he would look into the matter.

- c. 310 stated that nothing came of the offer by SZASZ, although certain discussions will take place, in which General ZAKO did not personally participate. 310 added, without amplification, that the entire question of Hungarian contacts with the Yugoslavian intelligence is currently under investigation by US authorities in Salzburg.

- (1) Source comment: 302 reported in July of 1953 that he knew a man who knew precise details on a trip ZAKO made to Yugoslavia, including the license number of the car in which he travelled. On 1 December 1953, 302 stated that ZAKO maintains contact with Yugoslavian authorities through a trustee, who uses the cover name of Vak BOTTAN, and lives in Belgrade. He states that in the summer of 1951 General ZAKO admitted in the Carlton Tea-Room in Munich that he had contact with the Yugoslavs. ZAKO explained this as follows:

- (a) Access to Hungary via the Austro-Hungarian frontier has become so difficult, due to Soviet security measures, that a number of actions cannot be conducted. On the other hand, the Hungary-Yugoslavian border offers excellent possibilities, especially due to the Drava-river.
- (b) In case of a military conflict in this territory a major influx of refugees from Hungary into Yugoslavia is expected. Thus the formation of Hungarian military units will become more possible in Yugoslavia than in other Western countries.

The rumors mentioned however are current.

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- (2) Source comment: 302 states that DECLAVA is a journalist and an ex-army officer. 302 states that source gave it that DECLAVA works for the British, although some Hungarian emigre circles suspect DECLAVA of good contacts with Budapest.
- (3) Source comment: 302 states that LENGYEL works for the French; however his intelligence activity does not reflect upon the Hungarian National Committee, in that shortly after DECLAVA's arrest LENGYEL resigned as the representative of the Hungarian National Committee in Paris. If 302 is correct that LENGYEL works for the French, JIC is probably incorrect in interpreting the letter as evidence of activities in behalf of the Yugoslavs. It seems more likely DECLAVA was working against the Yugoslavs for LENGYEL and the French.

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12 October 1954

Subject: General Andreas ZAXO

Date of Information: as noted

Source: 302

Substance: 302

Evaluation of Information: 3

1. On 1 December 1954, 302 reported that General Andreas ZAXO visited Paris in mid-November 1954. 302 believes that, in view of the fact that it is known French intelligence have been waiting for ZAXO to enter the country to arrest him for embezzling French intelligence funds, ZAXO must have visited Paris on a fake passport. It is assumed that ZAXO is in possession of German and Italian passports in addition to his Austrian passport. 302 states that it is not known whether these other passports were officially issued by the governments in question, though if such was the case, it would be assumed ZAXO was for the intelligence services of these countries.
2. General ZAXO also visited London and Brussels during November. In London ZAXO conferred with the Polish General ANKERS regarding the Hungarian representation in the military council of the Polish High Expedition in Paris, which is headed by ANKERS. (The Polish General ANKERS has reportedly resigned from his post.) ZAXO is alleged to have stated in London that he had been appointed by German authorities as the sole representative for the German obligations. (1)
3. 302 reports that General Ferdinand FAJUS was also in Paris and Brussels during November. 302 believes that these trips of ZAXO and FAJUS were in preparation for the foundation of a so-called Hungarian National Committee. 302 emphasizes that these activities are being financed by some source, but he is unable to specify what the source is.
- (1) Source comments: On 19 October 1954, 302 reported that General ZAXO had been explicitly informed by the German Federal Ministry for Expellee Affairs that the German Federal Government continued willing to represent Hungarian interests with the Ministry.

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SECRET

7 December 1954

Subject : Eugen SEH - Author of Anti-Hungarian Emigre Articles
Date of Information : as noted
Source : 300
Subsources : as noted
Evaluation of Subsource Information : 6

1. During the past year a number of articles have appeared in various newspapers, primarily in Germany but also in Italy, all of which have been signed by Eugen SEH. These articles have invariably attacked General Andreas ZAKO and General Ferdinand PARKAS. Both are attacked for participating in intelligence activities inimical to the German Federal Republic. ZAKO is accused of relations with the Yugoslav intelligence service. PARKAS is accused of countenancing and abetting the Hungarian peace negotiations with the Soviets. In September 1954 Eugen SEH published a photo montage containing photostats of all of these previously published articles. Approximately 2,000 copies of this photo montage have reportedly been distributed. The appearance of this publication has caused considerable interest in the Hungarian emigration, leading to speculation as to who had made available the funds for this publication and what had been the motive.
2. On 15 October 1954, 314 reported the following to Source about Eugen SEH:
 - a. Eugen SEH is a Hungarian of German origin. He was a member of the SS during the war, charged with caring for the dependents of SS-personnel. After the war he cooperated with a certain Alexander HAHN who on orders of the then Hungarian Government was in charge of administering Hungarian property in Germany. HAHN was expelled from the US Zone of Germany by US occupation authorities, although he later emigrated to the United States where he lives at present. From 1947 to 1948 he worked for the Ungarische Kanzlei (Hungarian Chancellory) in Germany in an unknown capacity. He sent his wife back to Hungary and later also his girl-friend who is of Jewish descent. He is in close communication by letter with both of them.
 - b. 314 states that following the agreement reached between Generals ZAKO and PARKAS a noticeable increase in the activity of the

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Pfeilkreuzler, a Fascist organization to which Eugen SEN belongs, became apparent. A surprising unanimity can be seen between the implications of the Pfeilkreuzler and the extreme left wing of the Hungarian emigre press, for example the AD Arbeiter in the United States. SEN suspects that the persons behind these newspapers are one and the same, namely either Communist agents directed by Budapest or the Hungarian National Committee.

3. On 13 October 1954, 302 reported the following about Eugen SEN: SEN was a member of the Fascist organization of the Pfeilkreuzler. In January 1946 SEN belonged to the staff of the Hungarian Registration Mission in Germany under the Hungarian police officer Dr. KARLUSCH. After KARLUSCH's return to Hungary, SEN assumed direction of the Mission. SEN reportedly still has very good contacts with the Communist Party in Bavaria. 302 unequivocally identifies SEN as a Communist agent. 302 considers the articles distributed by SEN against FAHRKAS and ZAKS as instigated by Budapest, and sees a danger in their recent working collaboration. 302 states that surprisingly enough SEN's articles contain many facts.

4. On 23 October 1954, 303 reported the following about Eugen SEN:

a. Eugen SEN was born in Budapest, Hungary. His father is supposedly of Jewish descent. His mother's maiden name is WILSON. He attended the Hungarian military academy but did not graduate, as he was expelled in 1914 for embezzlement. He attempted to commit suicide but succeeded only in losing one of his eyes. In 1921 or 1922 he was again imprisoned in Budapest for embezzlement. He later joined the Pfeilkreuzler party. During the war he worked for the German SS. After the war he worked for the Hungarian Registration Mission and was a journalist for the Jewish paper Under the Tree. He became involved in a money smuggling affair with hundreds of Hungarian refugees. In 1946 he sent his wife back to Hungary and somewhat later also his children. He is still in communication by letter with some of them.

b. 303 states that he has received confidential information that a doctor Egon BAUMGARTNER, an employee of the station, for disproportionate taxation of the Bavarian State Secretary, has admitted that he has given financial assistance to the publication of Eugen SEN. Reportedly state secretary STALL has called (or) BAUMGARTNER to account for this support. 303 stated that the Comradeship Association of Hungarian Veterans (ISRE) has sued Eugen SEN for libel because of his articles. Should the suit confirm the falseness of SEN's allegations, state secretary STALL will be requested to take disciplinary action against Dr. BAUMGARTNER. 303 states that he is convinced that Eugen SEN's activities are directed by Budapest.

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- (1) Source comments: Eugen SM has attacked General Gustav HENTLEY in numerous publications variously as a Communist, Fascist and as generally a person working against the interests of the Hungarian emigration since 1948. These recent attacks against BAKO and PARKS over the past year commenced shortly after BAKO and PARKS signed their agreement to coordinate their activities.

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ACTION	FILE
NO.	19
CIN	19
REC'D	19

Verband der Ungarn in Oesterreich
(Magyarok Szovetsége Ausztriában -
Federation of Hungarians in Austria)

DA-001757-B-3-() 00

On 13 Jan 1955, Deacon Kegenhofer, born 10 Feb 1900 in Győr, Hungary, currently residing at Mozartstrasse 35, Linz, Upper Austria, was interviewed concerning the Verband der Ungarn in Oesterreich (Magyarok Szovetsége Ausztriában - Federation of Hungarians in Austria), and he submitted the following information:

a. Since the formation of the Federation of Hungarians in Austria in Mar 1954, under the chairmanship of Doctor Gabor Senta, born 12 May 1904 in Karcag, Hungary, currently residing at Voelknermarktstrasse 98, Eisenstadt, Carinthia, Austria, local leaders of the political subdivisions of the Allied Zone of Austria have been elected. In addition to holding the chairmanship of the Federation of Hungarians in Austria, Doctor Gabor Senta is also the elected local leader of the organization in Land Carinthia. Katalin Gyertyanyi, currently residing at Foerbergstrasse 65, Salzburg, Austria, is the elected local leader of Land Salzburg; Karoly Vertessy, currently residing at Leobenstrasse 64, Graz, Austria, is the elected local leader of Land Styria; Albin Kaptanffy, currently residing at Bruderwillmannstrasse 7/II, Innsbruck, Austria, is the elected local leader of Land Tyrol; Bela Gaudor, currently residing at Lauer Vorloster 1/I, Bregenz, Austria, is the elected local leader of Land Vorarlberg; and Deacon Kegenhofer, currently residing at Mozartstrasse 35/II, Linz, Austria, is the elected local leader of Land Upper Austria.

b. Source stated that the Federation of Hungarians in Austria sent an official memorandum to the Bundesministerium fuer Inneres (Federal Ministry of Interior), Vienna, Austria, as one of the first steps toward creating security and better living conditions for those Hungarians residing in Austria. The text of the memorandum in substance is as follows:

"The first time Hungarian victims of Russian Communism were able to live in Austria officially known to you as a union or federation. Thousands of Hungarians living in poverty, without any aid from the government, are waiting with trust and hope for the results of this first effort. The object of this request is for the Hungarian refugees to be allowed to direct themselves as a single body or federation. In order to make this possible, immediate relationship between the hospitable country of Austria and the Hungarian refugees should be strengthened. We place our destiny with the leadership of the Austrian Government and desire to cooperate according to our non-political principles, as stipulated by our statutes, by working together to prove our honorable intentions. The number of Hungarians residing

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Region "B"

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DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B FOR COORDINATION WITH
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

U.S. Army

CONFIDENTIAL

AGENT REPORT

Verband der Ungarn in Oesterreich
(Magyarok Szocietase Ausztriaban -
Federation of Hungarians in Austria)

7 Mar 1945

DA-031797-8-2-1)

In Austria may be considered as stable. Most of the Hungarians who have lived in Austria for the past nine (9) years do not desire to emigrate, even though the outlook in other countries is better. They prefer to wait until they can return to their homeland and in the meantime regard Austria as their second homeland. We all believe that liberation for Austria and the Hungarian refugees will not be delayed too long. Now, with the passage of nine (9) years, we are obliged to call to your attention that the legal, moral, cultural and physical abandonment of the Hungarian refugees, proper legal status in Austria, will be for Austria a source of a drawback. We think our claim for urgent and full official support, as the German Government has for it, is fully justified. Difficulties are encountered by Hungarian refugees concerning employment, pensions, matrimony, subsistence, rent and education. All these problems could be solved by the Austrian Government. When joining our claims you must not think that we refer to international opinions of 1944, but rather to the spirit of the historic 850 years we spent together. Without thought of any rights of displaced persons, we, of all the neighbors of Austria, are the only ones who represent the late Monarchy, and appeal to the 850 years spent together as a basis for your consideration. This fact cannot be questioned by any Austrian citizen because both Austrians and Hungarians enjoyed the same rights in Hungary during the Monarchy as we now ask for in Austria. Historical and moral truth permit us to reflect on the past even though we are primarily concerned with our future. Neither Austria nor the Hungarian displaced persons are responsible for the conditions in the late Monarchy concerning displaced persons which were established during and after 1945. Perhaps these laws could be accepted if there had not been moral rights and valid laws between Austria and the Hungarians during the Monarchy, or if Austria still lived in the grip of the economic depression of 1945, when she was obliged to pass the aforementioned displaced persons laws. We also understand the difficulties encountered by our new homeland in her heroic fight for freedom, and for that reason have not voiced our claims for refugee collectively, but waited, without complaint, and helped at least physically in accordance with our modest abilities. Since the end of World War II, conditions among Hungarian refugees have steadily become worse, while the economic condition of Austria has improved. Therefore, we are obliged to voice our claims, knowing that charity and aid given by international organizations will not solve our problems, but that only social, moral and legal assistance from the Austrian Government can accomplish this. Our requests are modest and do not exceed the requirements of a minimum standard of living.

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AGENCY REPORT

Verband der Ungarn in Österreich
(Magyarok Szövetsége Ausztriában -
Federation of Hungarians in Austria)

7 Mar 1955

BA-001757-8-4-1-3

Our requests are as follows:

1. Financial, administrative and legal assistance in obtaining Austrian citizenship. The Federation of Hungarians in Austria is able to give reliable facts concerning its members.

2. Prompt settlement of pension claims to those Hungarians who are qualified. The Chairman of the Federation of Hungarians in Austria, who is in possession of official lists, can, if empowered, furnish data to the Austrian Government for verification of pension claims.

3. The Federation is in possession of indispensable data concerning educational, social and cultural problems and is in a position to make helpful proposals concerning these problems.

4. Financial support of the Federation to cover its monthly administrative expenses. The Hungarian displaced persons are in such a condition that the payment of the two (2) Austrian National Schilling (Current exchange rate: 26 NSR equals \$1.00) monthly membership fee in many cases presents a hardship. We often receive requests to lower the fee. It is our belief that the Federation is helpful to the Austrian Government and by its voluntary work saves money which would normally have to be paid to additional government officials. Because this organization is altruistic, and by its statutes cannot engage in business activities, it should be allowed to receive government support, provided it is not too costly.

5. The Federation aims to strengthen Austro-Hungarian relations by the exclusion of any political activity.

Experience has shown the importance of preserving our political independence. Support from foreign countries, which partially relieves the burden of the Austrian Government, will be properly distributed by legally elected representatives of the Federation. We request to be permitted to settle the affairs of Hungarians in the whole of Austria in accordance with existing Austrian laws. Our requests do not in any way exceed those already granted to ethnic Germans.

Yours respectfully,

/s/ Gabot Santa
Chairman (S-3)

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Region "B"

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AD: REPORT

Verband der Ungarn in Oesterreich
(Magyarok Szövetsége Ausztriában -
Federation of Hungarians in Austria)

7 Mar 1955

Da-001757-B-2-() 20

On 15 Feb 1955, the name files of the Regional Registry, 430th CIG Detachment, Region III, APO 176, US Army, were examined concerning personalities mentioned in this report. The following information was revealed:

1. Verband der Ungarn in Oesterreich: Agent report L/30563, dated 16 Jul 1954, Subject: "Verband der Ungarn in Oesterreich", lists Dr Gabor Santa, currently residing in Klingenberg, Austria, as the chairman of the Verband der Ungarn in Oesterreich. (evaluated C-3)

2. Geography, Hungary: Arrest List, Headquarters United States Forces in Austria, dated 18 Sep 1945, indicates that a Kornel Gyorgyosi, a member of the Hungarian National Council, was arrested on 31 Aug 1945 in Salzburg, Austria, by the 430th CIG Detachment. He was confined in Salzburg. (no evaluation)

3. Geography, Hungary: Agent report S/11004, dated 30 Aug 1951, Subject: "Hungary", lists Karoly Vertessy, member of the Hungarian National Council, Salzburg, lists Karoly Vertessy, Dr. Sc., British Zone of Austria, a member of the Hungarian National Council, as the recipient of a secret letter written in Salzburg, Austria, by Nedon Antl and Istvan Nagyovics, representative of the Hungarian National Committee for Austria. Vertessy is also listed as the leader of the Hungarian Freedom Movement, which was sponsored by General Patton in Munich, Germany. (evaluated C-3)

4. Kapitany, Albert: Agent report L/27000, dated 24 Nov 1954, Subject: "MHEK (Magyar Hírszolgálati Egyesülés - Hungarian Warlike Correspondence Society)", lists Albert Kapitany, from Innsbruck, Austria, as the intelligence chief of the MHEK, chief of the MHEK. Kapitany is also listed as having visited Yugoslavia with Edgar sometime after May 1953. (evaluated C-3)

5. Binder, Bela: Numerous individuals named Bela Binder are mentioned in the files; however, none are identifiable as the person mentioned in this report.

6. Zeyher, Desz: Numerous references indicate that Desz Zeyher, born 10 Feb 1900, is an engineer who is employed by the Post Engineers, APO 176, US Army.

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